



# BUDGET COMMITTEE



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## **Statement by Senator Judd Gregg on the Dept. of Treasury's Actions to Stabilize Credit Markets**

The actions announced today by Treasury Secretary Paulson to inject capital directly into the banking system by purchasing dividend-paying preferred stock and expanding F.D.I.C. insurance to cover small businesses' bank accounts are bold, aggressive, and necessary. These necessary steps, coupled with the huge commitment of resources by the European nations to their financial system, will help us avoid what could potentially be a catastrophic economic meltdown. Although we still face difficult times ahead, Treasury's actions help ensure that institutions which are critical to making Main Street America work will be able to function— pay rolls will be financed and met; people will be able to borrow to buy a car or send their kids to college; and credit will be available for working Americans and small businesses.

Additionally, these actions are being structured in a way that will protect the taxpayer through dividend payments on tax dollars invested, an equity stake to ensure profits are shared with taxpayers, and an eventual return of those dollars to the Treasury if the preferred stock is sold. No one is excited by the need to pursue this course, but it is the right action needed at this time, and it will move us a long way down the road towards stabilizing our credit markets, restoring our economy, and protecting the jobs and retirement savings of the American people.

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